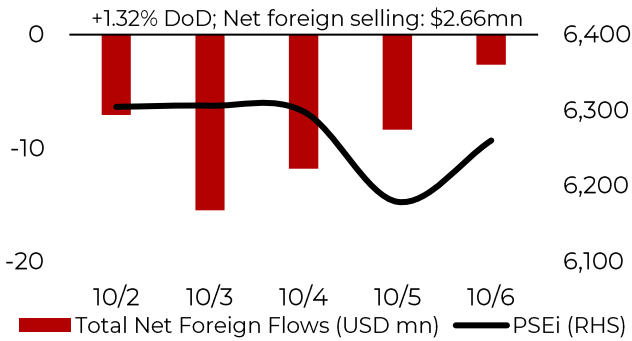


The Morning View

OCTOBER 9, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,259.95	+1.32%
3-mo bond yield	5.71%	+2.62 bps
2-yr bond yield	6.32%	+0.94 bps
10-yr bond yield	6.58%	+3.14 bps
USDPHP	56.62	-0.09%
Oil (Brent, \$ / barrel)	84.58	+0.61%

Data from the **Bangko Sentral ng Pilipinas** showed that gross international reserves dipped by 0.7% to a seven-month low of \$98.69 billion as of end-September. The central bank attributed the dip to the National Government's payments on foreign debt obligations as well as the drop in global gold prices.

PLDT, Inc. (Ticker: TEL) successfully sold its 230 telecommunications towers to Frontier Tower Associates Philippines, Inc. for Php2.8 billion. This is part of its sale-and-leaseback deal with Frontier amounting to Php12.1 billion for 1,012 towers.

Local equities bounced back as investors brushed aside the higher-than-expected inflation for September and weighed the easing local unemployment data from 4.8% in July to 4.4% in August. The PSEi closed at 6,259.95 (+1.32% DoD).

Local fixed income yields continued to rise ahead of key US employment data. On average, yields rose by 0.98 bps, with the 2Y closing at 6.32% (+0.94 bps) and the 10Y closing at 6.58% (+3.14 bps).

The **Philippine peso** strengthened amid hawkish BSP bets driven by the faster-than-expected local inflation print in September. This was also following the upbeat employment data locally. The USD/PHP pair closed at 56.62 (-0.09% DoD).

US nonfarm payrolls rose 336,000 jobs in September, the largest increase since January. The leisure and hospitality industry contributed the most to the increase. Meanwhile, average hourly earnings cooled to 4.2% YoY in September (August: 4.3%).

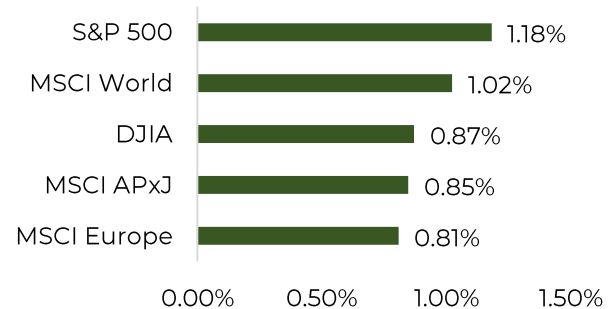
US unemployment rate was unchanged at an 18-month high of 3.8% in September. While more people entered the labor market, household employment modestly increased. The labor force participation rate likewise remained steady at 62.8%.

US equities gained as investors focused on a fresh batch of key labor data releases and weighed its implications on the Fed's future policy moves. The S&P 500 closed at 4,308.50 (+1.18% DoD) and the DJIA closed at 33,407.58 (+0.87% DoD).

US Treasury yields soared as investors digested the stronger-than-expected September nonfarm payroll additions, which raised the odds of another policy rate hike from the Fed. On average, yields rose 6.36 bps, with the 2Y closing at 5.09% (+6.00 bps) and the 10Y closing at 4.81% (+8.40 bps).

The **US dollar** weakened amid hawkish remarks from the European Central Bank which boosted the euro. Investors also waited for the upcoming release of the FOMC minutes of the meeting this week. The DXY closed at 106.04 (-0.27% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,308.50	+1.18%
DJIA	33,407.58	+0.87%
3-mo US Treasury yield	5.52%	+0.50 bps
2-yr US Treasury yield	5.09%	+6.00 bps
10-yr US Treasury yield	4.81%	+8.40 bps
DXY	106.04	-0.27%

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